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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

RECEIVED
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X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended March 31, 1992, or

___ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from _____ to _____.

Commission file number 2-79192.

HAMPSHIRE FUNDING, INC.
(Exact name of registrant as specified in its charter)

NEW HAMPSHIRE	02-0277842
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
ONE GRANITE PLACE, CONCORD, NEW HAMPSHIRE	03301
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (603) 226-5000

Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO ____

APPLICABLE ONLY TO CORPORATE ISSUERS:
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

At March 31, 1992 there were 50,000 shares of the Issuers common stock outstanding, all of which are owned by the Parent Company, Chubb Life Insurance Company of America.

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PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements. See pages 4 through 6.

Item 2 - Management's Discussion and Analysis of Financial Conditions and Results of Operations

Liquidity and Capital Resources

The Company offers and administers investment Programs which coordinate the acquisition of mutual fund shares and insurance over a period of time, usually ten years. Under these programs, Participants purchase life and health insurance from affiliated Insurance Companies and finance the premiums through a series of loans secured by mutual fund shares. Upon issuance of a policy by an Insurance Company, the Company makes a loan to the Participant in an amount equal to the selected premium mode. As each premium becomes due, a new loan equal to the next premium and administrative fee, if not paid in cash, is made and added to the Participant's Account Indebtedness. Thus, interest, as well as principal, is borrowed and mutual funds shares are pledged as collateral. Each loan made by the Company must initially be secured by mutual fund shares which have a value of at least 250% of the loan. In addition, the aggregate value of all mutual fund shares pledged as collateral must be at least 150% of the Participants' total Account Indebtedness.

The Company's funds for financing the Programs are currently obtained through an Agreement, effective July 1989, with The Colonial Life Insurance Company of America ("Colonial"). The Agreement provided for revolving credit arrangements under which Colonial advanced to the Company funds in an amount that did not exceed $20,000,000. Effective March 1990, the Agreement was amended to provide for advances of funds to the Company in amounts not to exceed $25,000,000. The loans are made at favorable commercial lending rates which are subject to change in accordance with the Agreement and market conditions. Prior to the Agreement with Colonial, premium loans were funded by Trust Company Bank of Atlanta, Georgia and The Volunteer State Life Insurance Company ("Volunteer") under revolving credit agreements effective June, 1988 and April, 1989, respectively. On July 10, 1989 the Company repaid the funds borrowed from Trust Company Bank and on August 18, 1989, repaid the funds borrowed from Volunteer.

The amount of funds borrowed under the Agreement at March 31, 1992 and December 31, 1991, were $22,649,685 and $21,413,588, respectively. This represented an increase of $1,236,097. These additional borrowings were used to fund increased sales of investment programs and for other working capital needs.

Working capital through March 1992, 1991, and 1990 was provided by Participants' loan repayments, administrative fees for the placement and maintenance of Participants' Programs, interest earned on collateral loans extended, interest earned on investments, and partnership syndication fees. The Company also received a franchise fee in 1990 which provided additional working capital.

Results of Operations

The Company concluded its first quarter 1992 with net operating income of $57,465. This compares to net operating income of $4,877 and $112,505 for the first quarter of 1991 and 1990 respectively.

Total revenues through March 31, 1992 were $676,328 versus $582,540 in 1991 and $836,591 in 1990. In 1990, the most notable change in revenues was $300,000 of franchise fees received from the Insurance Companies, which represented compensation for the issuance and service of insurance policies. No franchise fees were received in 1991, nor does the Company anticipate receiving franchise fees in 1992.

Interest earned from collateral notes receivable increased as insurance loans to Participants increased year to year. The Company experienced a 45% growth in the number of Participant's Programs placed in the first quarter of 1992 compared to the first quarter of 1991. The interest rate charged to each Participant's Account Indebtedness was 9.95% until December 27, 1991 when the interest rate was reduced to 9.50%. Investment income earned by the Company decreased in each of the past three years due to a change in the level of cash and investments held year to year. Revenues from partnership fees increased as the Company's subsidiary received additional general partnership fees from its 1991 offering.

Total expenses for the first quarter 1992, 1991, and 1990 were $589,260, $575,151 and $666,415 respectively. Interest expense on the Company's revolving credit agreement decreased due to a decline in short term interest rates during each of the three periods. This decrease in the Company's cost of borrowed funds has offset the Company's interest expense as additional amounts were borrowed under the credit agreement each period. General and administrative expenses, arising from normal operating activities, increased $103,398 from the first quarter of 1991 as compared to the first quarter of 1992.

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings - Not Applicable

Item 2 - Changes in securities - Not Applicable

Item 3 - Defaults upon senior securities - Not Applicable

Item 4 - Submission of matters to a vote of security holders - Not Applicable.

Item 5 - Other Information - Not Applicable

Item 6 - Exhibits and Reports on form 8-K. No reports on Form 8-K were filed for the quarter ended March 31, 1992.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its benalf by the undersigned thereunto duly authorized.

Hampshire Funding, Inc.
Registrant

Date May 14, 1992

John A. Weston
Treasurer, Principal Financial Officer

HAMPSHIRE FUNDING, INC. AND SUBSIDIARY

Consolidated Statements of Financial Condition

Assets	March 31, 1992	December 31 1991
Cash and cash equivalents	$ 1,153,131	$ 694,199
Accounts receivable from customers	5,669	6,294
Total Current Assets	1,158,800	700,493
Collateral notes receivable (including accrued interest of $691,434 in 1992 and $676,410 in 1991)	23,462,807	22,230,309
Total Assets	$ 24,621,607	$ 22,930,802
Liabilities and Stockholder's Equity:		
Accrued expenses and other liabilities	$ 777,523	$ 627,538
Due to affiliates	592,522	345,264
Total Current Liabilities	1,370,045	972,802
Note payable to affiliate (net of prepaid interest of $250,315 in 1992 and $286,412 in 1991)	22,649,685	21,413,588
Total Liabilities	24,019,730	22,386,390
Stockholder's Equity:		
Common stock, par value $1 per share; Authorized 100,000 shares: issued and outstanding 50,000 shares	50,000	50,000
Additional paid-in capital	550,000	550,000
Retained earnings (deficit)	1,877	(55,588)
Total Stockholder's Equity	601,877	544,412
Total Liabilities and Stockholder's Equity	$ 24,621,607	$ 22,930,802

HAMPSHIRE FUNDING, INC. AND SUBSIDIARY

Consolidated Statements of Operations and Retained Earnings (Deficit)

	Three Months Ended March 31,		
	1992	1991	1990
Revenues:			
Interest on collateral notes receivable	$ 529,941	$ 477,026	$ 453,567
Program participant fees	105,618	89,719	71,414
Franchise fees from affiliates			300,000
Interest on investments	5,769	11,209	11,190
Partnership syndication fees	35,000	4,586	420
	676,328	582,540	836,591
Expenses:			
Interest on revolving credit agreement	268,496	357,785	410,820
General and administrative	320,764	217,366	255,595
	589,260	575,151	666,415
Income before income taxes	87,068	7,389	170,176
Provision for income taxes	29,603	2,512	57,671
Net income	57,465	4,877	112,505
Retained earnings (deficit) at beginning of year	(55,588)	(274,050)	(306,240)
Retained earnings (deficit) at end of period	$ 1,877	$ (269,173)	$ (193,735)

HAMPSHIRE FUNDING, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

	Three Months Ended March 31,		
OPERATING ACTIVITIES:	1992	1991	1990
Net income	$ 57,465	$ 4,877	$ 112,505
Adjustments to reconcile net income to net cash used by operating activities:			
Decrease in accounts receivable from customers	625	27,583	19,123
Increase (decrease) in accrued expenses and other liabilities	58,872	(9,725)	(179,561)
Increase in due to affiliate	247,259	217,395	185,431
Increase in collateral notes receivable	(1,232,498)	(475,101)	(397,914)
Decrease in income taxes payable/receivable	29,603	3,785	207,560
(Increase) decrease in prepaid interest on revolving note	36,097	21,472	(30,460)
NET CASH USED BY OPERATING ACTIVITIES	(802,577)	(209,714)	(83,316)
FINANCING ACTIVITIES:			
Proceeds from revolving loan agreement	13,900,000	39,681,694	47,932,294
Principal payments on revolving loan agreement	(12,700,000)	(39,521,694)	(47,878,136)
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,200,000	160,000	54,158
INCREASE (DECREASE) IN CASH, CASH OVERDRAFT AND CASH EQUIVALENTS	397,423	(49,714)	(29,158)
Cash, cash overdraft and cash equivalents beginning of year	235,825	325,184	721,297
CASH, CASH OVERDRAFT AND CASH EQUIVALENTS AT END OF PERIOD	$ 633,248	$ 275,470	$ 692,139

Certain 1990 amounts have been reclassified to correspond to the 1991 and 1992 presentations.